

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC	)	
SERVICE COMMISSION OF THE	)	
APPLICATION OF THE FUEL	)	
ADJUSTMENT CLAUSE OF AMERICAN	)	CASE NO. 98-562-B
ELECTRIC POWER COMPANY FROM	)	
MAY 1, 1999 TO OCTOBER 31, 1999	)	
	)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 9, 1999 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of American Electric Power Company ("AEP") for the 6 months ended October 31, 1999.

As part of this review, AEP, pursuant to Commission Order, submitted certain information concerning its compliance with Commission Regulation 807 KAR 5:056. Public hearings were held on February 10, 2000 and March 29, 2000.

The Commission has previously established AEP's base fuel cost of 11.45 mills per Kwh.<sup>1</sup> AEP's base fuel rate was also reviewed in Case No. 96-520<sup>2</sup> and Case No.

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<sup>1</sup> Case No. 94-460, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Power Company from November 1, 1992 to October 31, 1994, Order dated April 5, 1995.

<sup>2</sup> Case No. 96-520, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Power Company from November 1, 1994 to October 31, 1996, Order dated September 10, 1998.

98-562,<sup>3</sup> but the Commission found that no adjustment was necessary to the previously established base fuel rate. A review of AEP's monthly fuel clause filings shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 11.39 mills in October 1999 to a high of 13.25 mills in August 1999, with a 6-month average of 12.06 mills.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds no evidence of improper calculation or application of AEP's FAC charge or improper fuel procurement practices.

IT IS THEREFORE ORDERED that the charges and credits billed by AEP through its FAC for the period May 1, 1999 to October 31, 1999 are approved.

Done at Frankfort, Kentucky, this

By the Commission

ATTEST:

  
Executive Director

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<sup>3</sup> Case No. 98-562, An Examination by the Public Service commission of the Application of the Fuel Adjustment Clause of Kentucky Power company from November 1, 1996 to October October 31, 1998, Order dated March 22, 1999.